

**Illinois Department of Revenue
Regulations**

Title 86 Part 130 Section 130.2510 Permit Holder's Payment of Tax
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TITLE 86: REVENUE

**PART 130
RETAILERS' OCCUPATION TAX**

Section 130.2510 Permit Holder's Payment of Tax

- a) If a sale by the retailer of the qualifying tangible personal property would not be subject to tax, then the permit holder does not have to remit tax on that purchase to the Department. For example a permit holder purchasing exempt manufacturing machinery and equipment does not have to remit tax on that purchase to the Department.
- b) However, if the retailer of the qualifying tangible personal property is subject to tax (including any local occupation taxes administered by the Department), then the permit holder assumes the liability for the payment of that tax, regardless of whether the permit holder would have been liable for Use Tax (including any local occupation tax reimbursements administered by the Department).
 - 1) For example, units of local government cannot impose local occupation taxes upon insurance companies. (See 215 ILCS 5/415.) However, if an insurance company uses its Direct Pay Permit, it voluntarily accepts the liability of the retailer and becomes liable for all local occupation taxes administered by the Department that are imposed on the retailer regarding that purchase.
 - 2) Another example is a retailer making a sale to a federal credit union that presents a Direct Pay Permit for the purchase of qualified tangible personal property. In that instance, the retailer incurs Retailers' Occupation Tax (including any local occupation taxes administered by the Department) on that sale even though the federal credit union is not obligated to pay Use Tax on that purchase. (See 12 USC 1768.) If the federal credit union uses its Direct Pay Permit, it voluntarily accepts the liability of the retailer and becomes liable for all taxes administered by the Department that are imposed on the retailer regarding that purchase.
- c) The permit holder must pay taxes directly to the Department on forms prescribed by the Department for purchases of qualifying tangible personal property for which a Direct Pay Permit was provided in lieu of payment of Use Tax. Returns and payments of tax shall be made in the same manner as prescribed in this Part, except that permit holders shall pay all taxes directly to the Department not later than the twentieth day of the month following the month in which the purchase was made. Permit holders who are required to make quarter-monthly payments, as required under the provisions of the Retailers' Occupation Tax and Use Tax Acts, shall continue to make those payments on a quarter-monthly basis until no longer required to do so under those Acts.

- d) Electronic Funds Transfer. Notwithstanding any other provisions of this Part, permit holders shall make all payments to the Department through the use of electronic funds transfer. (For further information on electronic funds transfer, see 86 Ill. Adm. Code 750.)
- e) If a permit holder pays an amount of tax to the Department in error on a transaction in which he gave his permit to a retailer, the permit holder may file a claim for credit or refund with the Department pursuant to Section 130.1501 of this Part.

(Source: Added at 26 Ill. Reg. 5946, effective April 15, 2002)